

Relative to the Teachers' Retirement System (TRS).

New law retains existing law which defines "average compensation" to mean the average earnable compensation of a teacher for the three highest successive years of employment, or the highest three successive joined years of employment where interruption of service occurred.

New law retains existing law which provides that when computing average compensation: (1) the amount for the 1st through the 12th month shall not exceed the compensation for the immediately preceding 12 months by more than 10%, and (2) the amount for the 13th through the 24th month shall not exceed the amount for the 1st through 12th month by more than 10%, and (3) the amount for the 25th through the 36th month shall not exceed the amount for the 13th through 24th month by more than 10%.

Prior law, as was effective from 07/01/95 to 06/30/97, provided that the limitations on the computation of average compensation shall not apply to any of the 12-month periods where compensation increased by more than 10% over the previous 12-month period solely because of an increase in compensation by legislative act, by city/parish "uniform" systemwide salary increase, or by a "uniform" systemwide increase at a college or university.

Existing law, effective 07/01/97, provides the same as prior law above, except without the requirement that systemwide increases be "uniform".

New law retains existing law and provides that any active member or retiree whose average compensation includes compensation received between 06/30/95 and 06/30/97 as the result of a legislative act, a city/parish systemwide salary increase, or a systemwide increase at a college or university shall have his average compensation calculated without regard to the limitations on the computation of average compensation for that period.

New law provides that any retiree whose benefits are based on the calculation of average compensation between 06/30/95 and 06/30/97 shall have his benefits recalculated and if an increase in benefits results, the retiree shall be paid such an amount to restore any prior benefits that would have been paid under such recalculation. But the new law only applies to a member or retiree whose employer filed a written application or request with TRS for coverage under these provisions on or before 07/01/98.

New law expresses its purpose as a remedial provision that is necessary as a result of the enactment of Act No. 577 of the 1995 R.S. which gave rise to inconsistent interpretations of the term "uniform" as set forth therein and the subsequent removal of the term "uniform" by the enactment of Act No. 1353 of the 1997 R.S. New law has retroactive application to 07/01/95.

Effective upon signature of governor (July 9, 1999).

(Amends R.S. 11:701(5)(c))